

Social Security provides crucial protections for women and their children, not only in retirement, but throughout the lifespan. Women rely more on Social Security for their retirement income than do men. In addition, women are much more likely than men to receive Social Security benefits as family members when a worker dies, retires or becomes disabled. Social Security also supports states, both by serving as a source of personal income for a substantial number of state residents and by alleviating pressure on state budgets. Without the current level of Social Security spending, poverty among the elderly would rise, increasing demand for state services for the poor.

This report provides information for each state about the importance of Social Security to women, children and the state economy and the impact of cuts in Social Security benefits contemplated in the leading privatization plan. It provides the following information for each state:

Women rely on Social Security more than men do. Nationally, 20% of adults receive Social Security benefits, including 22% of women and 18% of men. About 24 million women, 18 million men and 3 million children rely on Social Security benefits. Women comprise 58% of all Social Security beneficiaries aged 65 and older.

Social Security is important to the economic security of older women. Nationally, 54% of women aged 65 or older would be poor without Social Security.

Social Security is more than a worker retirement program. It also provides disability and life insurance protection for workers and their families. Nationally, many Social Security beneficiaries receive benefits either as the widow or widower, spouse or child of a worker, or as a disabled worker.

President Bush has stated that Plan 2 of his Commission to Strengthen Social Security is a good blueprint to follow for replacing part of Social Security with private accounts. A key element of the plan is a new formula that would reduce benefits below current-law levels for all future beneficiaries, including retired workers, widows, children and disabled workers. The Congressional Budget Office (CBO) analyzed the likely effect of this plan, projecting that children born in this decade would likely receive 45% less when they retire than they are promised under current law, even when the proceeds from private accounts are included in the total.

Widows would experience enormous cuts under the leading privatization proposal. Nationally, the typical widow or widower receives a Social Security benefit equal to \$865 per month (\$10,376 per year). If the 45% cut projected by CBO were to take effect currently, the typical widow or widower would receive only \$476 per month (\$5,709 per year), even when the proceeds from private accounts are included. This amount is equal to only 65% of the poverty line.

States will lose a significant amount if Social Security benefits are cut. In 2002, more than \$446 billion dollars flowed to the states through Social Security benefits. If the 45% cut described by CBO had taken effect in 2002, the economy that year would have lost over \$200 billion nationally. This amount is equivalent to 18% of total state government expenditures in fiscal year 2002 (state government expenditures include money generated from state funds, federal funds, and the sale of state bonds).

The state data are summarized in six appendix tables.

MINNESOTA

Women rely on Social Security more than men do.

- ✓ In Minnesota, 19% of adults receive Social Security benefits, including 22% of women and 17% of men. About 404,000 women, 300,000 men and 37,000 children rely on Social Security benefits in the state. (Social Security Administration and U.S. Census Bureau)
- ✓ Women represent 58% of all people 65 and older in Minnesota who rely on Social Security benefits. (Social Security Administration)

Social Security is important for the economic security of elderly women.

- ✓ Without Social Security, 56% of elderly women in Minnesota would be poor. (Center on Budget and Policy Priorities)

Social Security is more than a worker retirement program.

- ✓ Many Social Security recipients in Minnesota are not retired workers. They receive benefits either as the widow or widower, spouse or child of a worker, or as a disabled worker. The overwhelming majority of these 252,000 beneficiaries are women and children. (Social Security Administration)

Widows would experience enormous cuts under the leading privatization proposal.

- ✓ The typical recipient of a Social Security widow's benefit in Minnesota receives \$878 per month (\$10,536 per year). According to the Congressional Budget Office, under Plan 2 of the President's Commission to Strengthen Social Security, today's kindergarteners are projected to receive 45% less than they are promised under current law, even when the proceeds from their private accounts are included in the total. If such a benefit cut were to take effect currently, the typical widow in Minnesota would receive only \$483 per month (\$5,796 per year), an amount equal to only 67% of the poverty line. (Social Security Administration and Congressional Budget Office)

The Minnesota economy will lose a significant amount if Social Security benefits are cut.

- ✓ In 2002, \$7.4 billion flowed into the Minnesota economy through Social Security benefits. If the cuts expected under Plan 2 for today's kindergarteners were to take effect currently, Minnesota would lose \$3.3 billion per year, even including the proceeds from private accounts. This amount is equivalent to 16% of state government expenditures in fiscal year 2002 (state government expenditures include money generated from state funds, federal funds, and the sale of state bonds). (Social Security Administration, Congressional Budget Office, National Association of State Budget Officers)